

## Non-Consolidated Balance Sheets

As of June 30,2007,2006 and December 31,2006

Assets	Millions of Yen			Thousands of U.S.Dollars
	2006.6.30	2006.12.31	2007.6.30	(1US\$=¥123.26) 2007.6.30
<b>Current assets:</b>				
Cash on hand and in banks	¥4,240	¥4,312	¥1,056	\$8,574
Notes and accounts receivable -				
Outside customers	4,303	4,145	3,887	31,536
Subsidiary companies and affiliated companies	4,205	3,695	3,933	31,916
Non-trade accounts	243	354	374	3,041
	<u>12,993</u>	<u>12,508</u>	<u>9,252</u>	<u>75,068</u>
Less: allowance for doubtful accounts	(1)	-	-	-
	<u>12,992</u>	<u>12,508</u>	<u>9,252</u>	<u>75,068</u>
Inventories	2,349	2,503	2,567	20,829
Deferred tax assets - current	-	-	131	1,062
Other current assets	556	1,100	564	4,581
Total current assets	<u>15,898</u>	<u>16,111</u>	<u>12,516</u>	<u>101,542</u>
<b>Investments and other assets:</b>				
Investments in subsidiary companies and affiliated companies	3,863	3,413	2,431	19,728
Long-term loan to subsidiary companies and affiliated companies	3,660	4,093	4,659	37,799
Other investments	1,535	1,165	1,128	9,154
	<u>9,058</u>	<u>8,672</u>	<u>8,219</u>	<u>66,682</u>
Less: allowance for investments losses	(1,026)	(576)	(576)	(4,679)
Less: allowance for doubtful accounts	(941)	(1,064)	(1,268)	(10,291)
Total investments and other assets	<u>7,089</u>	<u>7,031</u>	<u>6,374</u>	<u>51,712</u>
<b>Property,Plant and equipment:</b>				
Buildings and structures	4,861	4,939	5,091	41,303
Machinery and equipment	4,837	4,786	5,327	43,224
Vehicles	49	47	44	360
Tools and furniture	1,708	1,761	1,824	14,798
Construction in progress	419	683	353	2,868
Land	1,982	2,009	2,009	16,302
	<u>13,859</u>	<u>14,228</u>	<u>14,650</u>	<u>118,857</u>
Less: accumulated depreciation	(6,958)	(7,093)	(7,445)	(60,406)
Total property,plant and equipment	<u>6,901</u>	<u>7,135</u>	<u>7,204</u>	<u>58,451</u>
Right for using facilities	12	11	10	86
Total assets	<u>¥29,901</u>	<u>¥30,290</u>	<u>¥26,105</u>	<u>\$211,792</u>

## Non-Consolidated Balance Sheets

As of June 30,2007,2006 and December 31,2006

<b>Liabilities and Net assets</b>	Millions of Yen			Thousands of U.S.Dollars (1US\$=¥123.26)
	2006.6.30	2006.12.31	2007.6.30	2007.6.30
<b>Current liabilities:</b>				
Short-term loans	¥4,652	¥5,191	¥2,382	\$19,329
Current-portion of long-term debt	2,728	2,978	2,958	23,999
Notes and accounts payable -				
Outside suppliers	4,953	5,981	4,775	15,387
Subsidiary companies and affiliated companies	1,948	2,062	1,896	38,745
Income taxes payable	17	35	23	191
Other current liabilities	1,994	1,105	1,494	12,127
Total current liabilities	<u>16,294</u>	<u>17,354</u>	<u>13,531</u>	<u>109,781</u>
<b>Long-term liabilities:</b>				
Long-term loans	6,074	4,955	5,315	43,126
Reserve for retirement benefits	1,560	1,529	1,510	12,252
Reserve for directors' retirement benefits	92	81	51	416
Deferred tax liabilities for revaluation	265	265	265	2,149
Deferred tax liabilities - fixed	121	12	8	67
Other long-term liabilities	1	1	1	8
Total long-term liabilities	<u>8,113</u>	<u>6,844</u>	<u>7,151</u>	<u>58,020</u>
<b>Net assets:</b>				
<b>Owners' equity:</b>				
Paid-in capital	3,508	3,508	3,508	28,466
Capital surplus				
Capital legal reserve	1,621	1,621	496	4,025
Other capital surplus	388	388	1,483	12,034
Total capital surplus	<u>2,009</u>	<u>2,009</u>	<u>1,979</u>	<u>16,059</u>
Earned surplus				
Earned legal reserve	381	381	381	3,091
Other earned surplus				
Earned surplus brought forward	(974)	(218)	(851)	(6,905)
Total earned surplus	<u>(593)</u>	<u>162</u>	<u>(470)</u>	<u>(3,814)</u>
Treasury stock	(2)	(3)	(3)	(26)
Total owners' equity	<u>4,921</u>	<u>5,677</u>	<u>5,014</u>	<u>40,685</u>
<b>Valuation and translation adjustments:</b>				
Net unrealized holding gains on securities	182	18	12	100
Deferred gains or losses on hedges	(8)	(2)	(2)	(21)
Land revaluation excess	397	397	397	3,224
Total valuation and translation adjustments	<u>571</u>	<u>413</u>	<u>407</u>	<u>3,304</u>
Total net assets	<u>5,493</u>	<u>6,091</u>	<u>5,422</u>	<u>43,990</u>
Total liabilities and net assets	<u>¥29,901</u>	<u>¥30,290</u>	<u>¥26,105</u>	<u>\$211,792</u>

ELNA CO.,LTD.

Non-Consolidated Statements of Income

For the interim period ended June 30,2007,2006 and years ended December 31,2006

	Millions of Yen			Thousands of U.S.Dollars
	Jan'06-Jun'06	Jan'06-Dec'06	Jan'07-Jun'07	(1US\$=¥123.26) Jan'07-Jun'07
Net sales	¥15,948	¥33,458	¥15,796	\$128,159
Cost of sales	14,507	30,061	13,868	112,510
Gross profit	1,440	3,396	1,928	15,648
Selling,General and administrative expenses	1,716	3,362	1,684	13,667
Operating income(loss)	(275)	34	244	1,980
Non-operating income:				
Interest and dividend income	51	360	63	516
Foreign exchange gains	-	21	69	564
Other	35	93	56	460
	87	476	190	1,542
Non-operating expenses:				
Interest expenses	114	257	152	1,237
Stock issuance expenses	145	145	-	-
Foreign exchange losses	35	-	-	-
Other	56	126	48	390
	351	529	200	1,627
Ordinary income(loss)	(539)	(18)	233	1,895
Extraordinary gains:				
Gain on sale of fixed assets	2	2	-	-
Gain on sale of investments in securities	-	253	-	-
Reversal of reserve for directors' retirement benefits	-	4	-	-
	2	260	-	-
Extraordinary losses:				
Loss on sale or disposal of fixed assets	0	13	8	65
Impairment loss	160	160	-	-
Loss on valuation of stocks of affiliates	-	-	981	7,965
	161	174	989	8,030
Income(loss) before income taxes	(698)	67	(756)	(6,134)
Income taxes - Current	5	15	7	61
Income taxes - Deferred	(24)	(24)	(131)	(1,062)
Net income(Loss)	¥(679)	¥76	¥(632)	\$(5,133)
		Yen		U.S.Dollars
Per share:				
Net income(Loss)	¥(20.56)	¥2.07	¥(15.21)	\$(0.12)
Weighted average number of shares	33,029,753	36,985,528	41,599,302	

## Non-Consolidated Statements of Changes in Net Assets

For the interim period ended June 30,2007 ( January 1, 2007 - June 30, 2007 )

(Millions of Yen)

	Owners' equity								
	Paid-in capital	Capital surplus			Earned surplus			Treasury stock	Total owners' equity
		Capital legal reserve	Other capital surplus	Total capital surplus	Earned legal reserve	Other earned surplus Earned surplus brought forward	Total earned surplus		
Balance as of December 31,2006	¥3,508	¥1,621	¥388	¥2,009	¥381	¥(218)	¥162	¥(3)	¥5,677
Changes of items during the interim period									
Transfer of capital legal reserve		(1,125)	1,125	-					-
Dividends from surplus			(30)	(30)					(30)
Net income(loss)						(632)	(632)		(632)
Purchase of treasury stock								(0)	(0)
Net changes of items other than owner's equity									
Total changes of items during the interim period	-	(1,125)	1,095	(30)	-	(632)	(632)	(0)	(662)
Balance as of June 30,2007	¥3,508	¥496	¥1,483	¥1,979	¥381	¥(851)	¥(470)	¥(3)	¥5,014

	Valuation and translation adjustments				Total net assets
	Net unrealized holding gains on securities	Deferred gains or losses on hedges	Land revaluation excess	Total valuation and translation adjustments	
Balance as of December 31,2006	¥18	¥(2)	¥397	¥413	¥6,091
Changes of items during the interim period					
Transfer of capital legal reserve					-
Dividends from surplus					(30)
Net income(loss)					(632)
Purchase of treasury stock					(0)
Net changes of items other than owner's equity	(6)	(0)	-	(6)	(6)
Total changes of items during the interim period	(6)	(0)	-	(6)	(669)
Balance as of June 30,2007	¥12	¥(2)	¥397	¥407	¥5,422

## Non-Consolidated Statements of Changes in Net Assets

For the interim period ended June 30,2007 ( January 1, 2007 - June 30, 2007 )

(Thousands of U.S.Dollars (1US\$=¥123.26))

	Owners' equity								
	Paid-in capital	Capital surplus			Earned surplus			Treasury stock	Total owners' equity
		Capital legal reserve	Other capital surplus	Total capital surplus	Earned legal reserve	Other earned surplus Earned surplus brought forward	Total earned surplus		
Balance as of December 31,2006	\$28,466	\$13,152	\$3,150	\$16,302	\$3,091	\$(1,772)	\$1,319	\$(25)	\$46,063
Changes of items during the interim period									
Transfer of capital legal reserve		(9,127)	9,127	-					-
Dividends from surplus			(243)	(243)					(243)
Net income(loss)						(5,133)	(5,133)		(5,133)
Purchase of treasury stock								(1)	(1)
Net changes of items other than owner's equity									
Total changes of items during the interim period	-	(9,127)	8,883	(243)	-	(5,133)	(5,133)	(1)	(5,377)
Balance as of June 30,2007	\$28,466	\$4,025	\$12,034	\$16,059	\$3,091	\$(6,905)	\$(3,814)	\$(26)	\$40,685

	Valuation and translation adjustments				Total net assets
	Net unrealized holding gains on securities	Deferred gains or losses on hedges	Land revaluation excess	Total valuation and translation adjustments	
Balance as of December 31,2006	\$152	\$(20)	\$3,224	\$3,356	\$49,419
Changes of items during the interim period					
Transfer of capital legal reserve					-
Dividends from surplus					(243)
Net income(loss)					(5,133)
Purchase of treasury stock					(1)
Net changes of items other than owner's equity	(51)	(0)	-	(51)	(51)
Total changes of items during the interim period	(51)	(0)	-	(51)	(5,429)
Balance as of June 30,2007	\$100	\$(21)	\$3,224	\$3,304	\$43,990

## Non-Consolidated Statements of Changes in Net Assets

For the interim period ended June 30,2006 ( January 1, 2006 - June 30, 2006 )

(Millions of Yen)

	Owners' equity									
	Paid-in capital	Capital surplus			Earned legal reserve	Earned surplus			Treasury stock	Total owners' equity
		Capital legal reserve	Other capital surplus	Total capital surplus		Other earned surplus		Total earned surplus		
						Reserve for loss from overseas investment	Earned surplus brought forward			
Balance as of December 31,2005	¥2,008	¥121	¥1,314	¥1,435	¥381	¥11	¥(1,318)	¥(926)	¥(2)	¥2,515
Changes of items during the interim period										
Issue of new shares	1,500	1,500		1,500						3,000
Transfer of capital surplus			(926)	(926)			926	926		-
Reversal of reserve for loss from overseas investment						(11)	11	-		-
Net income(loss)							(679)	(679)		(679)
Reversal of land revaluation excess							86	86		86
Purchase of treasury stock									(0)	(0)
Net changes of items other than owner's equity										
Total changes of items during the interim period	1,500	1,500	(926)	573	-	(11)	343	332	(0)	2,406
Balance as of June 30,2006	¥3,508	¥1,621	¥388	¥2,009	¥381	-	¥(974)	¥(593)	¥(2)	¥4,921

	Valuation and translation adjustments				Total net assets
	Net unrealized holding gains on securities	Deferred gains or losses on hedges	Land revaluation excess	Total valuation and translation adjustments	
Balance as of December 31,2005	¥177	-	¥483	¥661	¥3,176
Changes of items during the interim period					
Issue of new shares					3,000
Transfer of capital surplus					-
Reversal of reserve for loss from overseas investment					-
Net income(loss)					(679)
Reversal of land revaluation excess			(86)	(86)	-
Purchase of treasury stock					(0)
Net changes of items other than owner's equity	4	(8)	-	(3)	(3)
Total changes of items during the interim period	4	(8)	(86)	(89)	2,316
Balance as of June 30,2006	¥182	¥(8)	¥397	¥571	¥5,493

## Non-Consolidated Statements of Changes in Net Assets

For the years ended December 31,2006 ( January 1, 2006 - December 31, 2006 )

(Millions of Yen)

	Owners' equity									
	Paid-in capital	Capital surplus			Earned legal reserve	Earned surplus			Treasury stock	Total owners' equity
		Capital legal reserve	Other capital surplus	Total capital surplus		Other earned surplus		Total earned surplus		
						Reserve for loss from overseas investment	Earned surplus brought forward			
Balance as of December 31,2005	¥2,008	¥121	¥1,314	¥1,435	¥381	¥11	¥(1,318)	¥(926)	¥(2)	¥2,515
Changes of items during the fiscal year										
Issue of new shares	1,500	1,500		1,500						3,000
Transfer of capital surplus			(926)	(926)			926	926		-
Reversal of reserve for loss from overseas investment						(11)	11	-		-
Net income							76	76		76
Reversal of land revaluation excess							86	86		86
Purchase of treasury stock									(0)	(0)
Net changes of items other than owner's equity										
Total changes of items during the fiscal year	1,500	1,500	(926)	573	-	(11)	1,099	1,088	(0)	3,162
Balance as of December 31,2006	¥3,508	¥1,621	¥388	¥2,009	¥381	-	¥(218)	¥162	¥(3)	¥5,677

	Valuation and translation adjustments				Total net assets
	Net unrealized holding gains on securities	Deferred gains or losses on hedges	Land revaluation excess	Total valuation and translation adjustments	
Balance as of December 31,2005	¥177	-	¥483	¥661	¥3,176
Changes of items during the fiscal year					
Issue of new shares					3,000
Transfer of capital surplus					-
Reversal of reserve for loss from overseas investment					-
Net income					76
Reversal of land revaluation excess			(86)	(86)	-
Purchase of treasury stock					(0)
Net changes of items other than owner's equity	(158)	(2)	-	(161)	(161)
Total changes of items during the fiscal year	(158)	(2)	(86)	(247)	2,914
Balance as of December 31,2006	¥18	¥(2)	¥397	¥413	¥6,091